

House File 662 - Introduced

HOUSE FILE 662

BY CHAMBERS

A BILL FOR

1 An Act relating to the statutory natural resources and outdoor
2 recreation trust fund and the sales tax rate imposed on the
3 sale of tangible personal property and the furnishing of
4 enumerated services and including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 11, Code 2011, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *c.* Subsequent to the deposit into the
4 general fund of the state, and after the transfer of revenues
5 as provided in paragraph "b", the department shall transfer
6 revenues equal to an amount generated by a tax of three-eighths
7 of one percent imposed on the sale of tangible personal
8 property and enumerated services as provided in this section to
9 the natural resources and outdoor recreation trust fund created
10 in section 461.31.

11 Sec. 2. SALES TAX RATE DECREASE. Notwithstanding the rate
12 specified in section 423.2, the rate of the sales tax imposed
13 under chapter 423 upon the sales price of the sale of tangible
14 personal property and the furnishing of enumerated services
15 sold in this state shall be five and five-eighths percent.

16 Sec. 3. SALES TAX RATE INCREASE. Notwithstanding the rate
17 specified in the section of this Act decreasing the sales tax
18 rate, the rate of the sales tax imposed under chapter 423 upon
19 the sales price of the sale of tangible personal property and
20 the furnishing of enumerated services sold in this state shall
21 be six percent.

22 Sec. 4. STATUTORY CONSTRUCTION. Nothing in this Act shall
23 be construed to affect the amount of revenues collected under
24 chapter 423B, or the transfer of revenues to the secure an
25 advanced vision for education fund created in section 423F.2.

26 Sec. 5. RULES. The department of revenue shall adopt
27 rules under chapter 17 as necessary in order to implement the
28 provisions of this Act.

29 Sec. 6. EXEMPTIONS — REFUNDS. The decreasing and
30 increasing of the sales tax rate shall not be construed as
31 affecting the operation of the exemptions specified in section
32 423.3 or the refunds specified in section 423.4.

33 Sec. 7. EFFECTIVE DATE. The section of this Act authorizing
34 the department of revenue to adopt rules to implement the
35 provisions of this Act takes effect on January 1, 2013.

1 Sec. 8. EFFECTIVE DATE. The sections of this Act decreasing
2 the sales tax rate and referring to exemptions and refunds take
3 effect at the end of the calendar day on June 30, 2013.

4 Sec. 9. EFFECTIVE DATE. The sections of this Act increasing
5 the sales tax rate and referring to exemptions and refunds take
6 effect at the beginning of the calendar day on July 1, 2013.

7

EXPLANATION

8 This bill relates to the sales tax imposed on the sale of
9 tangible personal property and the furnishing of enumerated
10 services. Currently, the tax on sales and services in Iowa
11 is imposed at the rate of 6 percent. The bill provides for a
12 decrease in the rate to 5 5/8 percent. This decrease takes
13 effect at the end of the calendar day on June 30, 2013. The
14 bill also provides for a rate increase from 5 5/8 percent to 6
15 percent, effectively restoring the current rate. This increase
16 takes effect at the beginning of the calendar day on July 1,
17 2013. The revenues generated by 3/8 of 1 percent imposed on
18 the sale of tangible personal property and enumerated services
19 are statutorily transferred to the natural resources and
20 outdoor recreation trust fund. The statutory purpose of the
21 fund is to protect and enhance water quality and natural areas
22 of this state and conserving agricultural soils in this state.
23 The department of revenue is authorized to adopt rules in order
24 to implement the bill.